

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 6882**

**BILL NUMBER:** SB 339

**NOTE PREPARED:** Jan 6, 2006

**BILL AMENDED:**

**SUBJECT:** Certificate of Salvage Titles.

**FIRST AUTHOR:** Sen. Merritt

**BILL STATUS:** As Introduced

**FIRST SPONSOR:**

**FUNDS AFFECTED:** X GENERAL  
DEDICATED  
FEDERAL

**IMPACT:** State & Local

**Summary of Legislation:** *Owner Retention of Salvage Title:* This bill authorizes the owner of a salvage motor vehicle to retain possession of the salvage motor vehicle under certain circumstances.

*Procedure for a Certificate of Salvage Title:* The bill sets the procedure for the owner to obtain a certificate of salvage title.

*Repeals and Relocates Fee Language:* This bill repeals and relocates language relating to the fee for the issuance of a salvage title.

*Revenue Collected:* The bill specifies that the revenues collected from the issuance of salvage titles shall be deposited in the MVHA.

*Class D Infraction:* This bill makes it a Class D infraction for an insurance company to fail to notify: (1) the Bureau of Motor Vehicles (BMV) when the owner retains possession of a salvage motor vehicle; or (2) the owner of the duty to apply for a salvage title.

The bill also makes conforming amendments.

**Effective Date:** July 1, 2006.

**Explanation of State Expenditures:**

**Explanation of State Revenues:** *Penalty Provision:* The bill provides for a Class D infraction for failure of

an insurance company to notify the BMV when the owner chooses to retain possession of the salvage vehicle. If additional court cases occur and infraction judgments and court fees are collected, revenue to the state General Fund may increase. The maximum judgment for a Class D infraction is \$25, which is deposited in the state General Fund.

If court actions are filed and a judgment is entered, a court fee of \$70 would be assessed, 70% of which would be deposited in the state General Fund if the case is filed in a court of record or 55% if the case is filed in a city or town court.

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:** *Penalty Provision:* If additional court actions are filed and a judgment is entered, local governments would receive revenue from the following sources: (1) The county general fund would receive 27% of the \$70 court fee that is assessed in a court of record. Cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a court of record may receive 3% of court fees. If the case is filed in a city or town court, 20% of the court fee would be deposited in the county general fund and 25% would be deposited in the city or town general fund. (2) A \$3 fee would be assessed and, if collected, would be deposited into the county law enforcement continuing education fund. (3) A \$2 jury fee is assessed and, if collected, would be deposited into the county user fee fund to supplement the compensation of jury members.

**State Agencies Affected:** Bureau of Motor Vehicles.

**Local Agencies Affected:** Trial courts, local law enforcement agencies.

**Information Sources:** Bureau of Motor Vehicles salvage title data for CY 2004.

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